



STATE PROCUREMENT OFFICE  
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER  
103D, HRS, CONTRACT

11 SEP 28 A9:47  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII

1. TO: Chief Procurement Officer

2. FROM: Barbara Coriell

Department/Division/Agency

3. Name of Contractor: HMSA

4. P.E. Reference No. 11-038-D a3

5. Description of goods, services, or construction:

Vendor will provide a fully insured prescription drug plan for HSTA + retiree 10/13/11  
EUTF Active employees enrolled in the HMSA HMO Plan.

6. Scope of work for the contract is revised as follows:

Amend contract term

Original Contract Price: \$32,321,123

Amended Contract Price:  
\$11,600,000

7. Reason: This / These amendment(s) are necessary because:

8. Direct questions to: Sandi Yahiro

Phone: 586-1681

Agency shall ensure adherence to applicable administrative and statutory requirements.

9. Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the  
information provided above is, to the best of my knowledge, true and correct

Department Head

Date

10. Date Posted: 9/29/11 10-13-11 dk

11. Submit written objections to this notice of intent to amend a procurement exemption contract within seven calendar days or  
as otherwise allowed from the above posted date to:

Chief Procurement Officer  
State Procurement Office  
P.O. Box 119  
Honolulu, Hawaii 96810-0119

Chief Procurement Officer's Comments:

Approval is granted for the period January 1, 2012 to June 30, 2012. This approval is for the solicitation  
process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply and award is required to  
be posted on the Awards Reporting System.

12. ☒ APPROVED ☐ DISAPPROVED

Chief Procurement Officer

Date

13. P.E. No. 11-038D  
Amend 4

Form SPO-07B-HMSA-HSTA

**Item 7.**

The EUTF completed an RFP process for pharmacy benefit management services in July 2011 and a proposed contract award was made on July 19, 2011. A protest was received on August 8, 2011. The protest period and any administrative hearing process will likely take several months. The EUTF must prepare for open enrollment (scheduled for October 3, to October 21, 2011), which includes preparing and printing approximately 100,000 Reference Guides for employees and retirees describing the available medical, drug, dental, vision and life insurance plans. Additionally, EUTF must program its computer system to accept new enrollment or enrollment changes received during the open enrollment. Finally, retirees enrolled in the EUTF EGWP plan must receive Medicare proscribed plan material by October 15. The EUTF does not have the time to competitively seek a PBM during the protest/administrative hearing process due to the extremely short deadlines ahead. The EUTF health plans must have fully functional prescription drug plans in place January 1, 2012. This request, if approved, will result in a short-term 6 month contract that is intended to cover the period of time needed to exhaust the protest/appeal period. This request is to cover the period of time necessary to allow the procurement protest/appeal process to run its course. Conducting a competitive process for a six-month contract is not practical or feasible since RFPs take 6+ months from beginning to end. The contract(s) from this request will cover the following plans: (1) HSTA (BU 05 actives; (2) HSTA early retirees; and; (3) HSTA Medicare retirees. ~~Currently, the HMSA HMO drug plan is with HMSA on a self insured basis.~~ The EUTF is requesting to contract with HMSA for a fully insured drug plan during this temporary period of time so that employees will not experience a carrier change ~~and the EUTF will not have risk exposure by self-insuring.~~

ju 10/13/11

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